

Congress of the United States
Washington, DC 20515

June 16, 2009

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Henry A. Waxman
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
2322-A Rayburn House Office Building
Washington, DC 20515

The Honorable George Miller
Chairman
Committee on Education and Labor
2181 Rayburn House Office Building
Washington, DC 20515

The Honorable Howard McKeon
Ranking Member
Committee on Education and Labor
2101 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Rangel, Ranking Member Camp, Chairman Waxman, Ranking Member Barton, Chairman Miller, and Ranking Member McKeon:

We are writing to ask that the health care reform legislation that the House of Representatives intends to enact this year include a Medicare home oxygen therapy reform proposal that we will be introducing in the immediate future. As you consider this proposal, we also believe it is critically important for Congress this year to resist further damaging payment cuts to the oxygen benefit.

In 2009, Medicare providers of home oxygen therapy have absorbed payment cuts of 27 percent. In fact, the average Medicare payment for home oxygen therapy is now less than half of what it was in 1997. Additionally, Medicare has compounded the impact of cuts by stopping payments for emergency and other non-routine services as well as for necessary disposable supplies for patients who require home oxygen therapy longer than 36 months.

In the final drafting stages of this legislation, we are working towards a goal of achieving budget neutrality. It will link oxygen therapy services to patient need. And it will provide cost transparency to the Congress and the Centers for Medicare and Medicaid Services (CMS). The proposal will also strengthen Medicare program integrity by reducing waste, fraud and abuse.

We believe that the current oxygen benefit is fundamentally flawed. It ignores the vital services that oxygen providers furnish to their patients. Under the current system, payments are based primarily on oxygen equipment rather than patient need and those

payments are arbitrarily capped after 36 months while providing virtually no payments for vital services and supplies beyond the 36-month period. These factors, combined, are harming access and leading to a diminution of quality of care for Medicare oxygen patients.

Our oxygen reform proposal will contain the following elements:

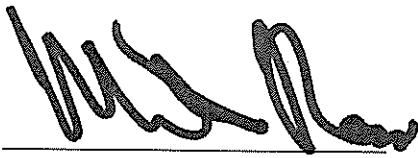
1. Establish a uniform level of beneficiary services that include:
 - Routine evaluation of the beneficiary's ability to operate the oxygen equipment safely and appropriately;
 - Patient and caregiver education about home oxygen therapy, equipment, safety and infection control;
 - Equipment delivery, set-up, and maintenance, including checking oxygen system purity levels and flow rates, changing and cleaning filters, and assuring the integrity of alarms and back-up systems;
 - Monitoring visits by trained personnel to evaluate patient compliance with physician's plan of care;
 - Provision of 24-hour on-call coverage as well as supplies and equipment (including back-up systems); and
 - Assistance with coordination of equipment, services, and providers associated with beneficiary travel.
2. Establish retesting requirements to ensure that only those who need oxygen therapy receive it.
3. Set high standards for qualified home oxygen therapy providers, including holding accreditation from at least one CMS deemed accrediting body and complying with the Medicare Supplier Enrollment Safeguards and the Medicare Quality Standards regulations.
4. Link Medicare payment with beneficiary need by establishing a new payment system that would:
 - Require physicians to classify beneficiaries into one of three categories;
 - Establish categories by number of liter hours a beneficiary needs per week based upon ambulation status;
 - Require providers to report to the physician any observed changes in a beneficiary's condition that might warrant reclassification by the physician;
5. Create cost transparency by requiring providers to submit annual cost reports to CMS, with a streamlined system for small providers.
6. Strengthen beneficiary protections as well as existing efforts to curb fraud, abuse and waste.

Home oxygen therapy is a critical, life sustaining medical treatment prescribed to nearly 1.5 million Medicare beneficiaries annually who suffer from respiratory illnesses such as

chronic obstructive pulmonary disease (COPD). COPD is a progressive, incurable disease that causes irreversible loss of lung function. Home oxygen therapy, when properly prescribed, combined with education and monitoring has been shown to slow the progression of this degenerative disease.

We appreciate your consideration of including this proposal in comprehensive health care reform legislation to reform and improve the Medicare home oxygen benefit and protect those beneficiaries who require oxygen to live.

Sincerely,



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Pat Tiller

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Lott Murphy

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